The Financial Ombudsman Service response to the Solicitors Regulation Authority discussion paper: How can the high-volume consumer claims market work better for consumers?

November 2025

About us

The Financial Ombudsman Service (Financial Ombudsman) was set up by Parliament under the Financial Services and Markets Act 2000 to resolve individual complaints between financial businesses and their customers fairly and reasonably, quickly, and with minimal formality.

Our service has a wide remit that extends to all kinds of regulated financial services. It is free to access for eligible complainants which include consumers and some businesses, such as small businesses, charities and trusts. We don't expect complainants to use a professional representative when bringing a complaint to us, but some do.

The Claims Management Ombudsman is part of the Financial Ombudsman Service but looks at complaints about claims management companies (CMCs) separately.

We share the insight we gain from resolving thousands of disputes a year to improve outcomes for all customers of financial services products. This includes the insight we gain from our work dealing with both complaints brought by professional representatives but also from the complaints about FCA regulated claims companies which fall within our remit.

Introduction

The Financial Ombudsman welcomes the opportunity to respond to the Solicitors Regulation Authority (SRA) discussion paper on how the high-volume consumer claims market can work better for consumers. Our response will focus on the complaints that are eligible to come to our service. Many of the questions in the discussion paper are not directly relevant to us and so we are sharing our general position below.

The Financial Ombudsman Service is free to all those who bring their cases directly, as well as to families and friends, charities, and voluntary organisations who may be helping them. In recent years, we have seen a significant increase in the number of cases brought by professional representatives to our service on behalf of consumers; around half of total complaints in 2024/25 were brought by professional representatives, compared to 25% during the 2023/24 financial year, and 18% the year before that. We have seen professional representatives withdraw or abandon a large number of cases, and for some case types we have seen low uphold rates.

In April 2025, we became the first UK ombudsman to introduce charges for professional representatives to refer cases to our service to ensure complaints are better evidenced, and their merits are more carefully considered. Following this, we are now seeing fewer complaints brought by professional representatives.

We have continued to work closely with the SRA to ensure information is shared effectively. We welcome the opportunity to increase this engagement and feed into other developments. We are happy to discuss this consultation and its potential impacts, as well as other areas of shared interest.

Our response

Our response focuses on two of the five challenges outlined in the discussion paper:

- Challenge 1: Improving transparency and clarity for consumers about their claim

- Challenge 5: Delivering wider improvements across the system for consumers in high-volume claims processes

Within the financial services sector, we recognise the challenges that result from rapid increases in complaint volumes caused by high-volume claim events. These challenges can be amplified by the behaviours of some professional representatives, for example if large numbers of poorly prepared complaints are referred to our service.

We welcome the SRA’s intentions in this area and encourage proposals to help improve the claims environment for all.

Challenge 1: Improving transparency and clarity for consumers about their claim

The Financial Ombudsman welcomes the SRA's review to address concerns about lack of transparency and clarity for consumers in high-volume consumer claims (HVCCs).

We understand that, under the SRA’s current rules and regulations, professional representatives must consider and take account of each client's attributes, needs and circumstances during their claim – irrespective of the volume of instructions.

We have been made aware of incidents where customers have signed up to multiple professional representatives for the same claim. This creates operational challenges and may also cause consumer detriment where consumers are subject to exit fees. It may be beneficial to increase and strengthen guidance published by the SRA on the expectations for professional representatives set out by the current standards and regulations, including published examples of good and poor practice, to support and strengthen a clear and consistent approach throughout the wider system. The Financial Ombudsman welcomes guidance provided to firms by the FCA and SRA in the wake of the Supreme Court judgment on motor finance commission that they expect professional representatives to inform clients of the existence of a redress scheme, or where there is a realistic prospect of one being introduced, which would allow them to pursue a claim for themselves, free of charge.

We believe that close alignment and cooperation between the FCA and SRA is important to ensure consistent standards and expectations across the sector, particularly regarding the regulation of professional representatives and the handling of high-volume consumer claims.

It is important that consumers are aware of the costs and details of the arrangement they are entering into with a professional representative up front to ensure they can make an informed decision. Compliance with the current regulations for professional representatives to provide customers with adequate disclosure documents and explain to customers the requirements for and consequences of ending agreements would help improve behaviours in this area.

The Financial Ombudsman Service is free for consumers to bring a complaint directly to our easy-to-use service, and those who do so can keep all of any reward we make. The choice to use a professional representative should be done on an informed basis, with consumers knowing their right to use schemes such as ours free of charge and without the need for professional representation. We therefore recognise the importance of the SRA's rules which require consumers to be made aware of the right to access our service for free. Consumers must confirm that they have opted for professional representation, even after being informed that they can pursue their claims directly to schemes such as ours at no cost.

The Financial Ombudsman makes decisions based on the individual circumstances of each case, using the facts and evidence provided. When professional representatives come to our service on behalf of a consumer, it is important that they carry out effective due diligence and work with their customer to collate and prepare the documentation and evidence, in line with the current standards expected by the SRA. To support this, in September 2024, the Financial Ombudsman introduced an online complaint form to help professional representatives know what information we need to progress a case, reducing the time spent getting this right. We encourage professional representatives to continue to work to submit high-quality complaints.

The Financial Ombudsman recognises that when someone is in vulnerable circumstances, they are more at risk of harm, or of being influenced, than they might be if they were not vulnerable. Vulnerability – or being vulnerable – can affect how consumers make decisions, that may put them at greater risk of buying products and services they do not need. We encourage the SRA to ensure professional representatives understand the needs of their customers and proactively ask questions that might help them to identify vulnerabilities. Increased publications of good and poor practices and guidance in this area will also be of practical benefit for improving standards for customers and the industry.

Challenge 5: Delivering wider improvements across the system for consumers in high-volume claims processes

The Financial Ombudsman welcomes the SRA's commitment to looking at how consumer interests can be better protected in high-volume consumer claims processes. The Financial Ombudsman is currently taking steps to deliver wider improvements for consumers in financial services redress. Currently, the redress system works well for individual cases about specific issues, but sudden and significant increases in complaints can cause firms to struggle to respond effectively, delaying any customer redress that may be due. The problem can be intensified if large numbers of complaints are submitted on behalf of consumers by professional representatives. To help address this, the FCA and Financial Ombudsman are working together to modernise the financial redress system.

This work builds on improvements the Financial Ombudsman has already made to improve the system for complainants and firms. As set out above, in April 2025, the Financial Ombudsman introduced charges for professional representatives to bring cases to the service. The aim of this measure was to deliver a fairer funding model, which would also encourage professional representatives to submit better-evidenced complaints and to better evaluate the merits of a complaint before referring it to us. Prior to this, we saw professional representatives withdraw or abandon a large number of cases, and for some case types we saw low uphold rates. Our recently published data shows that we are seeing fewer complaints brought by professional representatives in the second quarter of this financial year following the introduction of the new charging model. The charging model is part of a series of improvements, which also includes the online complaint form for professional representatives referenced above.

The Financial Ombudsman regularly shares intelligence with the SRA and FCA on regulatory issues relating to legal firms and CMCs respectively. This includes instances of poor conduct by SRA-regulated firms, and evidence of non-compliance with respective rules. We welcome a continuation of this engagement, including with regard to HVCCs and mass redress events, and we encourage the SRA to act swiftly on insights shared. We support a joined-up approach with regulators acting swiftly to provide guidance and enforcement where necessary.

Conclusion

We look forward to continued collaboration with regulators and other stakeholders to promote high standards amongst professional representatives, ensuring that only robust and well-prepared cases are brought forward on behalf of consumers, for the benefit of all parties.
We would welcome the opportunity to discuss further the issues raised in the discussion paper and our response.